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BEARING OF THE CONTRACT THEORY OF PATENTS ON CERTAIN DEFENSES

DELIVERED BY THE

COMMISSIONER OF PATENTS

MR. THOMAS EWING

AT THE

THIRTY-SEVENTH ANNUAL MEETING

OF

THE AMERICAN BAR ASSOCIATION

HELD AT

Washington, D. C.

October 20, 21, 22, 23, 1914

BEARING OF THE CONTRACT THEORY OF PATENTS ON CERTAIN DEFENSES.

Toward the close of 1601 the numerous patents relating to commerce and manufacture which Queen Elizabeth had granted were subjected to vigorous attack in Parliament. Raleigh, Cecil and Bacon defended the royal prerogative and the patents granted by virtue thereof. The Queen finding that they were unable to stem the tide of opposition, by proclamation dated November 28, "of her mere grace and favor to all her loving subjects, and by her regal power and authority" declared void a number of these grants and as to those still left in force decreed "that all and every her Highness' loving subjects, that at any time hereafter shall find themselves grieved, injured or wronged by reason of any of the said grants, or any clause, article or sentence therein contained, may be at his or their liberty to take their ordinary remedy by her Highness' laws of this realm, any matter or thing in any of the said grants to the contrary notwithstanding."

While thus graciously permitting these matters to be tried in the Queen's bench she reaffirmed her right to make such grants, saying: "And as her Majesty doth greatly commend the duty and obedience that her loving subjects have yielded in conforming themselves to the said grants, being under the great seal of England: So her Majesty doth notify and signify by these presents that if any of her subjects shall seditiously or contemptuously presume to call in question the power or validity of her prerogative royal, annexed to her imperial crown, in such cases all such persons so offending shall receive severe punishment, according to their demerits."

Following her proclamation, on November 30, 1601, she delivered what proved to be her valedictory known as the Golden Speech of Queen Elizabeth to her last Parliament. It throws so much light on the very beginning of the patent system that I shall quote some passages of it:*

"Since I was Queen," she says, "yet did I never put my pen to any grant but upon pretext and semblance made me that it was for the good and avail of my subjects generally, though a private profit to some of my ancient servants, who have deserved well; but that my grants shall be made grievances to my people, and oppressions to be privileged under color of our patents, our princely dignity shall not suffer it.

"In my governing of this land, I have ever set the last judgment day before mine eyes, and so to rule as I shall be judged and answer before a higher Judge, to whose judgment seat I do appeal; in that never thought was cherished in my heart that tended not to my people's good.

"And if my princely bounty have been abused, and my grants turned to the hurt of my people contrary to my will and meaning, or if any in authority under me have neglected, or converted what I have committed unto them, I hope God will not lay their culps to my charge.

"To be a King and wear a crown is a thing more glorious to them that see it than it's pleasant to them that bear it: * * * * The cares and troubles of a crown I cannot more fitly resemble than to the drugs of a learned physician, perfumed with some aromatic savor. * * * * For my own part, were it not for conscience sake to discharge the duty that God hath laid upon me, and to maintain His glory and keep you in safety, in mine own disposition I should be willing to resign the place I hold to any other, and glad to be freed of the glory with the labors, for it is not my desire to live nor to reign longer than my life and reign shall be for your good. And though you have had and may have many mightier and wiser princes sitting in this seat, yet you never had nor shall have any that will love you better.

"Thus, Mr. Speaker, I commend me to your royal loves, and yours to my best care and your further counsels,

*The History of the English Patent Law is derived mainly from "The English Patents of Monopoly", by William Hyde Price, Harvard University Press, 1913.

and I pray you, Mr. Controller and Mr. Secretary, and you of my Council, that before these gentlemen depart to their countries, you bring them all to kiss my hand."

Patents began to be granted by the King as early as the reign of Edward III, distinguished as it was by great intellectual and industrial development. A grant by Edward to John Perchy of the sole right to import wines into London was adjudged void by Parliament. On the other hand a charter granted by Henry VIII to the physicians of London was confirmed by Parliament. The statute of monopolies of 1624 expressly excepted all grants allowed or confirmed by Act of Parliament from its declaration of invalidity.

The Conflict Over the Royal Prerogative.

These facts are evidence of a great controversy between the Crown on the one hand attempting to assert its prerogative, and Parliament and the common law judges seeking to annul the patents.

Subjects were warned by the Crown against infringement "upon pain of imprisonment of their bodies and forfeitures of all and every the said materials, instruments and things aforesaid, which shall be wrought, framed and made by any person or persons contrary to the tenor of these presents and royal prohibition therein." The exercise of the prerogative was not limited to encouraging inventors. It was a sort of protective system, "by the cherishing of manufactures of all sorts among the people whereby great numbers of them are set on work and maintained and much treasure thereby saved kept within the Kingdom, which was unthriftily otherwise spent in the maintenance of manufactures abroad whereby strangers in foreign parts have received employment" (Mansell Patent Extension, 1634). It was made use of to preserve the forests. For example, the patent to Mansell on the making of glass with the use of coal as fuel

which shows the beginning of coking, was accompanied with prohibitions against using wood as fuel.

Among the many points of contention between the Crown on the one side and Parliament and courts of law on the other, was the enforcement of grants by the aid of the privy council. As has already been made to appear, Queen Elizabeth was forced to grant leave to try all of her patents in the Queen's bench that they might be subjected to the test of the common law. In the case of *Darcy* v. *Allein* it was expressly held that no man could be restrained from exercising any trade but by Parliament. Following this case James I in 1603 proclaimed that all grants and charters of monopoly together with all licenses to dispense with penal laws, excepting grants to corporations and companies of arts and mysteries and for enlargement of trade were to be suspended until examination could be had by the King with advice of his Council. And in 1610 James proclaimed that all grants of monopolies were contrary to the ancient and fundamental law of the realm and by proclamation subjected many patents to trial at common law.

The Statute of Monopolies.

Following this was the celebrated Statute of Monopolies passed in the twenty-first year of his reign, March 24, 1624.

This statute contained the following exception: "Provided nevertheless, and be it declared and enacted that any declaration before mentioned shall not extend to any letters patents, and grants of privilege, for the term of one and twenty years or under, heretofore made of the sole working or making of any manner of new manufacture within this realm, to the first and true inventor or inventors of such manufactures which others at the time of making of such letters patents and grants did not use, so they be not contrary to the law nor mischievous to the state, by raising of the prices of commodities at home, or hurt of trade, or generally inconvenient, but that the same shall be of such force as they were or should

be if this act had not been made, and of none other: and if the same were made for more than one and twenty years, that then the same for the term of one and twenty years only, to be accounted from the date of the first letters patents and grants thereof made, shall be of such force as they were or should have been if the same had been made but for the term of one and twenty years only, and as if this act had never been had or made, and of none other."

The exception contained in this statute, out of which the entire modern law of patents of England grew, was undoubtedly based in part upon a certain sense of fairness. As is said in a petition for a patent in England in 1559: "Nothing is more honest than that those who by searching have found out things useful to the public, should have some fruit of their rights and labors, as meanwhile they abandon all other modes of gain, are at much expense in experiments, and often sustain much loss."

Counsel for the infringer in the case of *Darcy* v. *Allein* admitted the following exception to the rule of the common law against monopolies:

"When any man by his own charge and industry or by his own wit or invention, doth bring any new trade into the realm or any engine tending to the furtherance of a trade that never was used before; and that for the good of the realm;—that in such cases the King may grant to him a monopoly-patent for some reasonable time, until the subjects may learn the same, in consideration of the good that he doth bring by his invention to the commonwealth, otherwise not."

Partly for this reason out of the general destruction of monopolies attempted by the Act of 1624 a portion of the royal prerogative was saved. Nor did this statute put an end to all monopolies other than those upon inventions granted to inventors. Upon the succession of Charles I, a long-continued and vigorous effort was made to preserve the royal prerogative in this respect, mainly in aid of designs on the part of the King to build up a system of internal revenue taxation, which should give him an income independently of

grants by Parliament. It is true that he was at last forced largely to annul his grants, decreeing among other things that all patents not put into use within three years should be recalled. But these concessions came just before the assembling of the long Parliament. The controversy which led to his decapitation is intimately connected with the agitation over the exercise of his prerogative.

After the establishment of the Commonwealth, certain monopolies were maintained because it had developed that they furnished an easy method of collecting taxes. The most notable was the monopoly of soap. The system of grants irrespective of novelty faded out of the English law only with the development of more rational and equitable methods of taxation.

During the whole course of this agitation against monopolies, it will be seen, the question of the right to grant patents for inventions was confused with a number of other questions contributing to the establishment of the monopolies. These questions were, the right of the Crown to prohibit citizens from entering into certain lines of business and to grant leave to certain citizens to enter into certain lines of business; to prohibit the exportation of certain classes of raw material or goods, commonly called embargo; to prohibit the importation of certain classes of raw material or goods, or to impose a tax thereon in the nature of a tariff protection; the granting of charters to corporations; the regulation and control of mining operations; the conservation of the forests; and the like.

Patents as Contracts.

In the course of this development certain principles were established which are still important. One bears on the subject under discussion, viz.:

The grant was a contract between the Crown and the patentee, his heirs and assigns. Some of the old patents

were in the form of indentures and the Crown was at times a partner. James I invested one hundred thousand pounds sterling in the Royal alum works, operating under a patent. This illustrated how completely they were matters of royal prerogative. Yet out of this idea of contract between Crown and patentee undoubtedly developed the modern conception that a patent is a contract. Originally the consideration need not be but frequently was some discovery, invention or new importation. Originally also disclosure of the new thing was not required as a condition of the patent. But slowly out of the great confusion of ideas was evolved the conception of a transaction in the nature of a contract according to which a grant is made in consideration of and coextensive with an immediate disclosure of something which is new and useful to the public. As Lord Eldon stated it in *Cartwright* v. *Eamer,* patents were to be "considered as bargains between the inventors and the public, to be judged of on the principle of keeping good faith by making a fair disclosure of the invention."

It was a logical step from this that anyone having an invention to communicate might obtain a grant; and thus the King's prerogative disappears as an influence in the patent system. As I have already hinted, it played, I believe, a far more important part than it is given credit for in the development of the system. The critical view of patents which the courts of England took for more than a century after the passage of the Statute of Monopolies in 1624, tends to show that the exception therein in favor of new inventions and importations was not especially a popular effort to develop industries and encourage invention. The exception is, rather, evidence of the King's influence, who was able to save from the general prohibition of monopolies so much of the royal prerogative.

With the disappearance of the royal prerogative there disappeared also another conception, viz., that the right to use

an invention arose out of the grant. The old patents contained two separate clauses, one specifically granting the right to make use of the invention and the other prohibiting any one else from doing so. It was customary for the Kings to grant licenses to trade. Many were granted by Henry III. One dated in 1248 granted "power to Jordan de Bruneswik to conduct from beyond seas to England ministers cunning in any kind of minting and exchange of silver to do in the realm what pertains to the business of each and to receive their wages." When, however, it became established that freedom of trade is the birthright of every subject and monopolies were strictly limited to new manfactures, the grant carried with it no right of use and no restriction of established trade but merely the right to exclude others from enjoyment of the new thing. The words of the granting clause of our patents "the exclusive right to make, use and vend the said invention" which is recited in Section 4884 of the Revised Statutes, is an heritage of the old idea that the grant conferred the right to use as well as the right to exclude others from using.

Patents began to be granted in the American Colonies about the time of the protectorate. One is recorded in the General Court in Boston as early as 1641. Just after the Revolutionary War some states granted patents. The patent Act of 1793 made special provision for their surrender upon the granting of federal patents. James Rumsey of Maryland was granted the exclusive right by Maryland and Virginia "of navigating their rivers with his newly invented steamboat." The developments of Fulton led to similar rights being granted by a number of the States, notably New York and New Jersey, all of which were held void by the Supreme Court of the United States in the case of *Gibbons* v. *Ogden,* reported in 9 Wheaton. These matters need not detain us, because the Constitution of the United States in its practical effect put the entire matter into the control of the Federal Legislature. Article 1, Section 8, reads as follows:

"The Congress shall have power * * * * to promote the progress of Science and Useful Arts, by securing for limited Terms to Authors and Inventors the exclusive Right to their respective Writings and Discoveries."

Under this provision Congress, if it undertakes to provide a patent system, must enact one which is primarily directed to rewarding inventors and the only reward is to secure to them exclusive rights for limited periods. A system which is not characterized by these features is *de hors* the Constitution.

Acting under this authority Congress has passed four acts which have in turn been the basis of our entire patent system; the Acts of 1790, 1793, 1836 and 1870. The Act of 1870 became the basis of the present provisions of the Revised Statutes controlling patents.

It is desirable to bring out one point in which these fundamental patent acts all agree with each other.

The Act of 1790 contained the clause "if it shall appear that the patentee was not the first and true inventor or discoverer, judgment shall be rendered," etc. The phrase "not originally discovered by the patentee," equivalent as there used to "first inventor," is in the Act of 1793. The Act of 1836 lacked these expressions, but contained among the defenses "that the patentee was not the original and first inventor or discoverer of the thing patented." In another section it was provided that if when the patentee made application he believed himself to be the first inventor, his patent should not be held void because the invention was previously known or used in a foreign country provided it had not been described in a publication. This is substantially the condition of the present statutes.

It will thus be seen that from the very start the Constitution and the Acts passed to carry its provisions into effect excluded from consideration anything equivalent to the British conception of right derived from importation. While sub-

sequent to 1836 one might obtain a patent for something which was known abroad, he must not have known of it when he filed his application and it must not have been described in a printed publication. The British idea had been evolved at a time when anyone who went down to the sea in ships was in danger from the violence of enemies and when the King's prerogative was wide respecting all dealings with foreign parts. I believe that the necessity for excluding all rights arising out of importation (which was still a feature of the British system) was the reason for the use of "first inventor," "originally invented" and similar expressions in our statutes. I shall have occasion to recur to this point later on.

Definition.

Having thus briefly reviewed the history in certain of its features of the patent systems of Great Britain and this country, I shall venture the following definition of a patent for an invention under the laws of the United States:

A patent for an invention is a contract between a party claiming to be the inventor thereof and the Government, made in consideration of a disclosure of the invention by the claimant in his application, and proceedings taken as required by statute, and evidenced by letters patent conveying a grant by the Government to the inventor and his assigns, for a limited period, of the right to exclude all others from making, using, and selling the invention patented.

In popular language, of course, the word patent means the original document, or a printed copy of the illustrations and description attached thereto, or the invention itself, or some particular physical embodiment of it. I shall myself have to use the word in one of its popular meanings for mere convenience. But my definition is directed to the mutual legal rights of the parties evidenced by the original document

constituting the letters patent. Just as every written memorandum of agreement is merely an indenture witnessing the agreement, so the letters patent are only evidence of a contract.

In the course of this discussion I attach so much importance to the contract theory of patents that I wish to call your attention not merely to the discussions of the theory found in the text books as, for example, in Walker, Section 152, or Robinson, Section 40, but chiefly to the very interesting case of *Grant* v. *Raymond,* 6 Peters, 218. In this case the Supreme Court, speaking through Chief Justice Marshall recognized the right of reissue in the absence of statutory provision therefor, basing its conclusion on the fact that the patent is a contract. I quote the following passage from Brodix's American and English Patent Cases, Vol. 4, pages 271-272:

"To promote the progress of useful arts, is the interest and policy of every enlightened government. It entered into the views of the framers of our Constitution, and the power 'to promote the progress of science and useful arts, by securing for limited times, to authors and inventors, the exclusive right to their respective writings and discoveries,' is among those expressly given to Congress. This subject was among the first which followed the organization of our Government. It was taken up by the first Congress at its second session, and an act was passed authorizing a patent to be issued to the inventor of any useful art, etc., on his petition, 'granting to such petitioner, his heirs, administrators, or assigns, for any term not exceeding fourteen years, the sole and exclusive right and liberty of making, using and vending to others to be used the said invention or discovery.' The law further declares that the patent 'shall be good and available to the grantee or grantees, by force of this act, to all and every intent and purpose herein contained.' The amendatory act, of 1793, contains the same language, and it cannot be doubted that the settled purpose of the United States has ever been, and continues to be, to confer on the authors of useful inventions an exclusive right in their inventions for the time mentioned in their patent. It is the reward stipulated for

the advantages derived by the public for the exertions of the individual, and is intended as a stimulus to those exertions. The laws which are passed to give effect to this purpose ought, we think, to be construed in the spirit in which they have been made, and to execute the contract fairly on the part of the United States, where the full benefit has been actually received,—if this can be done without transcending the intention of the statute, or countenancing acts which are fraudulent or may prove mischievous. The public yields nothing which it has not agreed to yield—it receives all which it has contracted to receive. The full benefit of the discovery, after its enjoyment by the discoverer for fourteen years, is preserved; and for his exclusive enjoyment of it during that time the public faith is pledged. That sense of justice and of right which all feel, pleads strongly against depriving the inventor of the compensation thus solemnly promised, because he has committed an inadvertent or innocent mistake."

See also:

Century Electric Co. v. *Westinghouse Electric Co.*, 191 F. R., 350;

Nat'l Tube Co. v. *Cyrus Mark*, C. C. A., 6th Cir., decided July 25, 1914.

In the making of these contracts the Government is represented by the Patent Office. With whom may the Patent Office enter into such contracts? That is to say, to whom may it make grants?

The section of the Revised Statutes which directly answers this question is § 4886. There are two sections numbered 4886, the one applicable to patents granted or to be granted on applications filed prior to January 1, 1898, the other applicable to all patents granted or to be granted upon applications filed since that date. The difference between these two sections does not concern us. The section as contained in the Act of March 3, 1897, reads as follows:

"Any person who has invented or discovered any new and useful art, machine, manufacture, or composition of matter, or any new and useful improvements thereof, not known or

used by others in this country, before his invention or discovery thereof, and not patented or described in any printed publication in this or any foreign country, before his invention or discovery thereof, or more than two years prior to his application, and not in public use or on sale in this country for more than two years prior to his application, unless the same is proved to have been abandoned, may, upon payment of the fees required by law, and other due proceeding had, obtain a patent therefor."

I shall now discuss in a general way the rights which the Patent Office must guard while making the grants authorized by this section of the Revised Statutes.

The Rights of the Contracting Parties.

There are three classes of rights of this character, viz.:

1. The rights of the Government.
2. The rights of the general public.
3. The rights of rival inventors, involving interferences.

1. Under the rights of the Government may be mentioned the right to the fees, the right of the Office to enforce its rules, to protect itself against unreasonable inconvenience, against fraud attempted to be practiced upon it and the like. These are fairly obvious, but should be clearly distinguished from the other two classes of rights.

2. The second group is the rights of the general public. These are four-fold, viz.:

The right to be protected against the granting of a patent,

(*a*) Where the applicant has not invented the thing to be patented. The constitutional provision is sufficient authority for this statement.

(*b*) Where the applicant has not taken the steps required by the statute or if so has not taken them within the time limited thereby. This is with reference to the due proceeding mentioned in Section 4886.

Thus he must not fail to disclose the invention upon which the patent is to be based, in his application therefor;

nor to particularly point out and distinctly claim what is his invention or discovery (Sec. 4888); nor to file within two years of the first public use or publication and within one year after his first application for foreign patent granted before his patent here is granted.

Again there is the right of the public to be protected against the granting of a patent,

(*c*) Where it was already in possession of the thing sought to be patented before the applicant made his invention. I shall discuss this point in more detail when I come to consider the defense of anticipation or want of novelty.

Finally there is the right of the public to be protected against the granting of a patent.

(*d*) Where the Government has already once paid the price of disclosure by granting a valid patent to the same or another inventor for the same invention. There may not be two valid patents based upon the same indivisible disclosure. The patent specification must set forth the subject-matter in consideration for the disclosure of which the patent is granted; and the public has the right to be protected against risk of being twice mulcted where the same identical subject-matter is involved. I shall have occasion to refer to this point again when considering the second of the defenses recited in Section 4920.

It is believed that the foregoing enumeration exhausts the rights of the general public. No member of the general public, as such, is under our system given the right to oppose the granting of a patent. It is the duty of the office, where there is just cause, to refuse the grant and thus to protect the public interest. The Office may draw information from any source but nobody outside of the Office has any officially recognized standing except in defense or support of his own right to a patent. This brings us to the consideration of the third of the above groups, viz., the rights of rival inventors.

3. The provision of the statute upon interferences is Sec. 4904, which provides that where there are rival applicants or an applicant for a patent to an invention already patented to another whose patent has not expired, the Office must proceed "to determine the question of priority of invention." This phrase "priority of invention" occurs nowhere else in the statute. It is intended to cover only those cases where two parties are claiming the same thing as against the public.

I have thus briefly outlined the fundamental rights to be protected, because I believe that a study of them will explain much that is difficult in the decisions. There is confusion in part between the rights of an individual as a member of the general public on the one hand and as a claimant for a patent on the other. The statute must cover all such rights, and that in broad and general language. But inferences drawn from the general language of the statute must be strictly in accord with the fundamental rights which have been pointed out.

Let me take a particular illustration. It is very often said that the present statute requires the Office to grant the patent to the first inventor. As has been shown, it does not contain such a requirement. At the most it is there by inference. It is true that the applicant must swear that he believes himself to be the original and first inventor. But Sec. 4886 says that any person who has invented something of patentable character may receive a patent upon due proceedings which include only the prescribed oath, provided that the thing was new and not public when he invented it, nor more than two years before he applies. The language is too broad to warrant the statement that a patent is not valid if it be granted to one who is not the original and first inventor, unless the question, who is the first inventor, be considered with reference to the right which it is sought to protect against invasion. Is it a pub-

lic right or a private right? Is the question one of anticipation or of priority?

This distinction arises out of the contractual character of patents. The general public, through the statute, as an encouragement to invention and an inducement to disclosure, offers a patent to anyone who comes forward with a new and useful thing which he has invented. New means new to the public, one party to the contract; just as useful means useful to the public. If the thing itself is not in the public knowledge or public use, it is new as against the public unless novelty is negatived by the statutory equivalent of public knowledge or use of the thing itself, viz., a patent or printed publication describing it. I shall take occasion to review the cases upon this point of anticipation but at the moment I can only state my view that in so far as any public right against a patentee is concerned, new means new to the public and does not require that nobody ever thought of it or applied for a patent for it or used it before the patentee.

But there may be a third party to be considered in connection with the contract which the Government is about to enter into; for there may be two inventors, or more, for that matter. The Government must keep faith with all of these parties. It has invited anyone who has invented to seek a patent. Where there are rival claimants the one must win who has the best right. In such a case there arises a contest of priority, where the patent should be granted to the one who is the original and first inventor. In considering such rival private rights public knowledge of what has been done is of importance only in so far as it is necessary to protect against unreasonable delay in putting the public in possession of the invention, or fraud which may be aided by concealment. Thus sketches which are closely guarded, workings in secret, applications for patent,

all may be important and even controlling in determining the private right which is in controversy.

Automatic Weighing Machine Company v. *Pneumatic Scale Corp.*, 166 F. R., 288.

I now wish to take up the different lines of cases illustrating the points which I have briefly outlined above.

Discussion of Cases.

Anticipation. Upon this point I wish to bring out at the start that public use and public knowledge means knowledge and use of the actual thing and not a drawing or description thereof. In the case of *Coffin* v. *Ogden*, 85 U. S., 120, the Supreme Court said:

"The whole act is to be taken together and construed in the light of the context. The meaning of these sections must be sought in the import of their language, and in the object and policy of the legislature in enacting them. The invention or discovery relied upon as a defense must have been complete, and capable of producing the result sought to be accomplished; and this must be shown by the defendant. The burden of proof rests upon him, and every reasonable doubt should be resolved against him. If the thing were embryotic or inchoate; if it rested on speculation or experiment; if the process pursued for its development had failed to reach the point of consummation, it cannot avail to defeat a patent founded upon a discovery or invention which was completed, while in the other case there was only progress, however near that progress may have approximated to the end in view. The law requires not conjecture, but certainty. If the question relates to a machine, the conception must have been clothed in substantial forms which demonstrate at once its practical efficacy and utility."

I shall not quote other cases, but I cite the following: *Lyman Company* v. *Laler*, F. C. 8632; *Ellithorpe* v. *Robertson*, F. C. 4408; *Stillwell et al.* v. *Cincinnati Company*, F. C. 13,453; and *Detroit Lubricator Manufacturing Company* v. *Renchard*, 9 F. R. 293.

The knowledge and use relied upon must be public (*Gaylor* v. *Wilder,* 51 U. S., 477.) Secret knowledge or use, even though carried to the point of commercial operation, does not constitute an anticipation (*Matthes* v. *Burt,* 114 O. G., 764; *Acme Company* v. *Cary Manufacturing Company,* 96 F. R., 344; *Boyd* v. *Cherry,* 50 F. R., 279, 283; *Matheson* v. *Campbell,* 69 F. R., 597, 604; *Bullock* v. *Jones,* Fed. Cas., 2132, and *Heath* v. *Hildreth,* Fed. Cas., 6309). And even though an inventor may himself seek a patent, he cannot prevail over a subsequent inventor by reason of an actual reduction to practice and use thereof which he has kept secret until stirred by his rival (*Mason* v. *Hepburn,* 84 O. G., 147, and *Thompson* v. *Weston,* 99 O. G., 864).

If the existence of an actual machine or the physical thing can not be proved and recourse is had to other evidences of prior knowledge, only the statutory equivalent of actual knowledge and use can avail. As the Supreme Court said of the Corn-Planter patent, 23 Wallace, 181: "Can the fact that such an application was made and afterward voluntarily withdrawn and never renewed, make any difference? We think not. Had a patent been actually granted to Remy and Kelly it would have been different. The case would then have come directly within the 7th section of the Act of 1836, which makes a 'patent' or a 'description in a printed publication' of the invention claimed a bar to a further patent therefor. But a mere application for a patent is not mentioned as such a bar."

Trade circulars describing the invention have been excluded because not addressed to the general public and therefore not the printed publications of the statute (*Parsons* v. *Colgate,* 15 F. R., 600; *New Process Fermentation Company* v. *Koch,* 21 F. R., 580; and *Britton* v. *White Manufacturing Company,* 61 F. R., 93).

Effective Date of a Patent Considered as an Anticipation Only.

In the case of *Bates* v. *Coe,* 98 U. S., 31, the Supreme Court said that the defense of prior patenting or publication is established if the patent introduced for the purpose, whether foreign or domestic, was duly issued or the complete description of the invention was published in some printed publication prior to the patented invention in suit; and the patent offered in evidence or the printed publication will be held to be prior, if it is of prior date to the patent in suit unless the patent in suit is accompanied by the application for the same, or unless the complainant introduces parol proof to show that his invention was actually made prior to the date of the patent, or prior to the time the application was filed. But the court added:

"Neither the defendant in an action at law nor a respondent in an equity suit can be permitted to prove that the invention described in the prior patent, or the invention described in the printed publication, was made prior to the date of such patent or printed publication, for the reason that the patent or publication can only have the effect as evidence that is given to the same by the Act of Congress. Unlike that, the presumption in respect to the invention described in the patent in suit, if it is accompanied by the application for the same, is that it was made at the time the application was filed; and the complainant or plaintiff may, if he can, introduce proof to show that it was made at a much earlier date."

In this great line of cases (there are many others) the courts were not considering questions of pleading, but of substantial right. Where the question is one of anticipation it must be shown that the knowledge was already available to the public before the patentee made his invention.

Effective Date Where Two Patents Have Been Granted for a Single Invention.

There are cases seemingly at variance with this principle which on careful study will be found to come under a different rule. I have already mentioned the fact that the public must be protected against being called upon to give two grants in consideration of the disclosure of the same thing.

1. The case of *Drewson* v. *Hartje Mfg. Co.*, 131 F. R., 734, is here in point. In that case the patent to Drewson was held to be void because of a patent to Symons which was filed before but was granted after Drewson filed. But both of these patents were for devices for separating liquid from gases. Symons claimed the device just as clearly as did Drewson, and the court found that the apparatus of the Drewson patent is the apparatus of the Symons patent with a cooler added, the addition whereof was not invention. This was not, therefore, really a case of anticipation, but one where the public had already paid the price of disclosure by a grant to a prior inventor.

2. Lastly there is the line of cases where it is pleaded under Sec. 4920 that the patentee had surreptitiously or unjustly obtained a patent for that which was in fact invented by another, who was using reasonable diligence in adapting and perfecting the same. These cases are *Westinghouse* v. *Chartier Valley Gas Company,* 43 F. R., 582, and *Barnes Sprinkler Company* v. *Walworth Manufacturing Company,* 60 F. R., 605. In each of these cases the invention covered by the patent sued on and the patent filed before but granted after it was filed were for one and the same invention. The case was therefore one between rival patentees or presented a question like the Drewson case of protection to the public against the grant of two patents for the same thing (See *Reed* v. *Landman,* 1891 C. D., 73, 79).

Summary of Cases.

I shall close the discussion of these lines of cases by the following quotation from the case of *Diamond Drill Company* v. *Kelly Bros.*, 120 F. R., 282, in which I think Judge Archbald correctly states the distinction I am here pointing out (page 287):

"The Maier bed-spring fastener, patented May 13, 1890, of which much is made, may as well be disposed of in this connection. Aside from its date, it is not an anticipation, in my judgment; simply making use, as it does, for quite a different purpose, of interlocking coils fastened with a pin. But however that may be, its date is against it here. Where the question is one of anticipation, the date when the alleged anticipating patent was granted is what controls. This was decided in *Bates* v. *Coe,* 98 U. S., 31; 25 L. Ed., 68, where, speaking to this question, it is said: 'Neither the defendant in an action at law, nor a respondent in an equity suit, can be permitted to prove that the invention described in the prior patent * * * was made prior to the date of such patent, * * * for the reason that the patent * * * can only have the effect as evidence that is given to the same by the act of Congress.'

"In this respect it is put by the statute on the same footing as a printed publication disclosing the invention, which cannot be known until it has been given to the public by being issued. It is true that the defendant in such a suit may plead and show, as the statute provides, that the patentee was not 'the original and first inventor or discoverer of any material and substantial part of the thing patented'; and it is also true that the answer in the present instance sets up this defense, as well as all the others which the statute allows, alleging that the invention was known to and used by each of the patentees named in the several patents cited as anticipations, and was in public use and on sale by each of them more than two years prior thereto. Wholesale pleading of this kind does not commend itself, although it may not be unusual; but, entirely aside from that, it does not control the issues made by the proofs. The defense that the patent has been anticipated is one thing, and that the patentee was not the original inventor is quite another, and the proofs bearing on each are equally

separate and distinct. In the present instance, as between the Maier patent and the one in suit, we have at most, the same principle applied to different subjects—a bed spring and a belt fastener. It may be that the one which was patented first would be held to anticipate the other, although, as I have indicated, that is not my view; but it could not be said that either patentee, as against the other, was or was not the first inventor. In accordance with this, not one word has been offered to show that Maier was the original discoverer of this belt clasp, any more than that he or anyone else ever made any prior use of it; and, whatever be the allegations of the answer, that is not what is really contended for. He patented one device, and Jackson another, and each, so far as the other was concerned, was first in his own line. The only question raised is whether Maier's patent, assuming that it would negative the novelty of the Jackson, was prior in date of issue. It is clear that it was not, and that is the end of it. The case of *Barnes Automatic Sprinkler Company* v. *Walworth Manufacturing Company,* 9 C. C. A., 154, 60 Fed., 605, is not at variance with this view, because the issue there was who was the real inventor of the very invention in suit, which is entirely different."

Patent Office Practice.

In its treatment of patents as anticipations from the date of application the Office departs more widely from the practice of the courts than at any other point (*Ex parte Eddleblute,* 1890 C. D., 124; and *Millett & Reid* v. *Duell,* 1901 C. D., 410).

It would seem to follow from the foregoing discussion that the Office should do away with the requirement of Rule 75,*

*Rule 75. When an original or reissue application is rejected on reference to an expired or unexpired domestic patent which substantially shows or describes but does not claim the rejected invention, or on reference to a foreign patent or to a printed publication, and the applicant shall make oath to facts showing a completion of the invention in this country before the filing of the application on which the domestic patent issued, or before the date of the foreign patent, or before the date of the printed publication, and shall also make oath that he does not know and does not believe that the invention has been in public use or on sale in this country, or patented or described in a printed publication in this or any foreign country for more than two years prior to his application, and that he has never abandoned the invention, then the patent or publication cited will not bar the grant of a patent to the applicant, unless the date of such patent or printed publication is more than two years prior to the date on which application was filed in this country.

that an inventor against whom a patent has been cited which shows but does not claim the invention which the applicant claims shall swear back of the filing date of the patent cited. I have not yet had occasion officially to pass upon this question. But I wish to suggest the following about it:

The present rule of the Office is a rule of very great convenience. It wards off a good many applications for reissue with interferences resulting therefrom. For patentees who found that features disclosed in their patents were appropriated by others who swore back of the date of grant only, would apply for reissue if there was still time, as in most cases there would be. The Office would thus be given additional work and many times the later applicant would merely pull the chestnuts out of the fire for the patentee. Moreover, a change in the rule would result in an increase in the number of patents which would be defeated by public use, for the obvious reason that many inventors about the time of filing an application will make some use of what is disclosed therein.

Then, too, the question of identity of invention claimed in the two patents would be treated by the courts very differently from the way in which the Patent Office treats it. Under Section 4887 in its present form and more particularly as it limited the terms of United States patents by foreign patents before the Act of 1897, there are decisions holding the invention in American and foreign patents identical without any close reference to the claims. Under the doctrine of the Drewson case discussed above, where the disclosure of the patent in suit did not differ in a patentable sense from that of the patent of earlier filing date I doubt whether a modification of the rule of the Office would be of real assistance to applicants in many cases. I must confess, however, that when a claim is rejected upon two or more patents taken together where one or all of them had not been granted at the

date of the application under consideration, I view the rejection with little favor.

I have presented these two fundamental questions of anticipation and priority in some detail because I believe that no branch of the patent law is in so great need of careful study. I trust that by the presentation of the contract theory of patents in the foregoing discussion I have suggested to you a sure pathway through the labyrinth of cases.

[NOTE.—Extracts from cases cited on page 12]:

National Tube Company v. *Cyrus Mark,* C. C. A., Sixth Circuit, decided July 25, 1914, by Denison, C. J., on the law of contracts as applied to patents.

"If, however, there was a doubt about the force to be given in the present case to this phrase as one of limitation, that doubt must be set at rest by consideration of the rules of construction in force in the Patent Office when this patent issued. The meaning put upon possibly ambiguous language of the grant, both by the Patent Office and by the patentee, becomes a binding rule of construction of that grant. This is both by the general *law of contracts* and by the rules of estoppel. It seemingly must be equally true of a fixed and universal construction, applied all the time to all patents, and presumably known to all patentees, as of a special meaning fixed by the special action."

Century Electric Company v. *Westinghouse Electric & Mfg. Co.* (191 F. R., 350), page 359:

"The second contention of counsel for the defendant is that patents No. 511,915 for the process and No. 555,190 for the apparatus are for the same invention, and therefore the latter is void. The rules and principles which have already been stated and applied in the consideration of the

validity of these patents in the face of No. 445,207 condition the decision of the question which this contention presents. The claims for these two patents were first made in a single application filed May 15, 1888. At that time there was a clause in rule 41 of the Rules and Practice of the Commissioner of Patents that 'claims for a machine and the process, in performance of which the machine is used, must be presented in separate applications,' a clause which was held to be unauthorized and void in 1904 in *Steinmetz* v. *Allen,* 192 U. S., 543, 563; 24 Sup. Ct. 416; 48 L. Ed., 555. Under that clause the Commissioner required Tesla to divide his application, to present his claims for his process and his claims for his apparatus in separate applications. He complied with this requirement and these patents issued on the separate applications. *There can be no doubt, therefore, that at the time the contracts, evidenced by those patents, were made the parties to them believed that they were for distinct and separate inventions and intended that patents for them as such should issue.* But counsel argue that notwithstanding this fact the patented process cannot be used without the patented apparatus, nor the patented apparatus without the patented process, and from this fact they deduce the conclusion that they are for the same invention. The deduction does not seem to be warranted."

MSH 23510

END OF
TITLE